



Form GSOP 1-PIN (04/98)

STATE OF CALIFORNIA  
Department of General Services - Office of Procurement

## PURCHASE ORDER

Page 1

Purchase Order No. Rev. Date  
62095 6/30/2008

Supplier No. 810587	Solicitation No. 56978	Delivery Date As Specified	FOB Point Destination	Invoice Terms N45
<b>S</b> DEPT MANAGED HEALTH CARE <b>h T</b> 980 NINTH STREET, STE 440 <b>i o</b> SACRAMENTO, CA 95814 <b>p</b> Attn: HIMEN KO		<b>C</b> MANAGED HEALTH CARE <b>h a T</b> ATTN: ACCOUNTING <b>r o</b> 980 9TH STREET STE 500 <b>g e</b> SACRAMENTO CA 95814		
Agency Billing 38202	Agency Purchase Estimate 07MC-PE005	Purchase Estimate 67263	Revision 0	
Agency Contact KAREN WHITNEY		Phone 916-323-7796	Date Received	

WOLTERS KLUWER  
CCH TEAMMATE  
4025 WEST PETERSON AVENUE  
CHICAGO, IL 60646  
Attn: MICHAEL LAIB

Phone: 866-674-8208

Item No.	Quantity	Unit	Commodity Code	Description	Unit Price	Extension
<b>TERMS AND CONDITIONS:</b>  THE ATTACHED STATEMENT OF WORK CONSISTING OF EIGHT (8) PAGES IS PART OF THIS AGREEMENT.  THE FOLLOWING DOCUMENTS ARE INCORPORATED INTO THIS AGREEMENT AND MAY BE VIEWED AT THE WEBSITE LISTED.  1. IT General Provisions, GSPD-401IT Revised and Effective 4/12/2007 <a href="http://www.pd.dgs.ca.gov/modellang/genprovit.htm">http://www.pd.dgs.ca.gov/modellang/genprovit.htm</a>  2. IT Purchase Special Provisions (Effective 01/21/03) <a href="http://www.pd.dgs.ca.gov/modellang/purchasespecial012103.htm">http://www.pd.dgs.ca.gov/modellang/purchasespecial012103.htm</a>  3. IT Software License Special Provisions (Effective 01/21/2003) <a href="http://www.pd.dgs.ca.gov/modellang/Software%20Special%20Provisions%2001-21-03.htm">http://www.pd.dgs.ca.gov/modellang/Software%20Special%20Provisions%2001-21-03.htm</a>						
1	1	EA	7090-000-0003-7	SOFTWARE LICENSE CCH TEAMMATE 50 LICENSE USER PACK FOR: 30 LICENSES FINANCIAL EXAMINERS 4100\40340 20 LICENSES PLAN SURVEYS 3700\30080	86,500.0000	86,500.00
2	5	EA	9090-250-0080-0	SERVICE DATA PROCESSING SYSTEM IMPLEMENTATION DAYS OF IMPLEMENTATION SERVICE (4100\40340 PURCHASED FOR FINANCIAL EXAMINERS PER MARK WRIGHT)	3,500.0000	17,500.00
3	5	EA	9090-250-0080-0	SERVICE DATA PROCESSING SYSTEM IMPLEMENTATION DAYS OF IMPLEMENTATION SERVICE (3700\30080 PURCHASED FOR PLAN SURVEYS PER DAN MCCORD)	3,500.0000	17,500.00
4	3	EA	9090-250-0101-3	TRAINING SERVICE (AS DESCRIBED) DAYS OF CUSTOMIZED TRAINING SESSIONS (4100\40340 PURCHASED FOR FINANCIAL EXAMINERS PER MARK WRIGHT)	3,500.0000	10,500.00
5	3	EA	9090-250-0101-3	TRAINING SERVICE (AS DESCRIBED)	3,500.0000	10,500.00

Sales and/or use tax to be extra unless noted above

Buyer  DIANA MERCADO	Phone 916-375-4430	BOC Number
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## Department of General Services - Office of Procurement

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Form GSOP 2-PIN (04/98)

<i>Purchase Order No.</i> <b>62095</b>	<i>Revision</i>	<i>Date</i> 6/30/2008	<i>Supplier No.</i> 810587	<i>Supplier Name</i> WOLTERS KLUWER
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Item No.	Quantity	Unit	Commodity Code	Description	Unit Price	Extension
<p>DAYS OF CUSTOMIZED TRAINING SESSIONS (3700/30080 PURCHASED FOR PLAN SURVEYS PER DAN MCCORD)</p>						
					Total Value:	142,500.00
<p>This purchase order is being awarded on July 21, 2007 pursuant to Government Code Section 13332.17. Any encumbrances made pursuant to this purchase order shall be construed to have been made on the last day of the preceding fiscal year.</p>						
<p>THERE WILL BE NO TANGIBLE ITEMS SHIPPED OR TAX CHARGED AGAINST THIS PO.</p>						
<p><u>CHANGE ORDERS:</u></p> <p>This Purchase Order may be amended, modified, or terminated at any time by mutual agreement of the parties in writing. Change orders amending, modifying or terminating the Purchase Order, including any modifications of the compensation payable, may be issued only by the State Procurement Officer. All such change orders shall be in writing and issued only upon written concurrence of the supplier. Termination, as that term is used in this section, does not include termination for default of the supplier.</p>						
<p>This Purchase Order has been registered into the State Contracts and Procurement Registration System (<a href="https://www.scprs.dgs.ca.gov">https://www.scprs.dgs.ca.gov</a>). The Registration Number is: 24000708323492</p>						

## **DEPARTMENT OF MANAGED HEALTH CARE**

### **STATEMENT OF WORK**

#### **TeamMate Project**

##### **A. Background**

The Department of Managed Health Care's (DMHC) mission is to work toward an affordable, accountable and robust managed care delivery system that promotes healthier Californians. Through leadership and partnership, the Department shares responsibility with everyone in managed care to ensure aggressive prevention and high quality healthcare, as well as cost-effective regulatory oversight.

The DMHC Office of Technology and Innovation (OTI) is responsible for the development and support of IT initiatives, systems and infrastructure that contribute to the Department meeting its mission critical business objectives.

The Division of Financial Oversight (DFO) and the Division of Plan Surveys (DPS) are separate program offices within DMHC that have identified the need for electronic audit software configured to meet their specific business requirements.

The Division of Financial Oversight monitors and evaluates the financial viability of health plans to ensure continued access to health care services for the enrollees/patients of California. This is accomplished by reviewing financial statements, analyzing financial arrangements and other information submitted as part of the licensing, material modification, and amendment process; and by performing routine and non-routine examinations (audits). The financial, compliance, and operational audits are required to be conducted in accordance with generally accepted auditing standards.

The majority of audit resources are spent preparing work papers, report writing, writing up findings and reviewing work papers by supervisors. In addition, it was noted in a consultant report that audits should be planned better using risk-based criteria, and that using risk based criteria would make the audits more efficient and effective. Currently, this process is too slow to keep up with the demands of the HMO industry and the statutory requirements for audits.

The Division of Plan Surveys conducts both pre-onsite and onsite surveys (audits) to assess a health plan's compliance with regulatory requirements. The pre-onsite survey process focuses on obtaining and reviewing a large volume of documentation (policies, procedures, reports, etc.) from a health

plan to determine compliance and identify risks that require further assessment while onsite. The onsite survey process focuses on scheduling and tracking surveys, reviewing additional information while onsite, managing work papers, identifying deficiencies and completing a report on findings.

## **B. Business Objectives**

Improve audit efficiency and effectiveness by automating preparation of work papers, reports, and reviews, reducing the volume of work paper preparation and review time; and enhance examination reports to better inform the readers. Specific objectives include:

- i) Reduce paper-based processes and maximize timeliness, efficiency, and accuracy of all audit functions.
- ii) Enable coordination and alignment with other DMHC Divisions and systems.
- iii) Enable integration with and provide effective support to survey stakeholders.
- iv) Provide appropriate, simple and timely access to information (data and reports) for all stakeholders.
- v) Develop work papers in accordance with generally accepted auditing standards, generally accepted government auditing standards and DMHC policies.
- vi) Provide electronic submission of audit data through the software or through an e-file process developed by OTI.
- vii) Use a systematic risk assessment approach to identify potential deficiencies and that focuses on traceability.
- viii) Provide the flexibility necessary to be responsive to change in regulatory requirements and concerns from consumers, legislators and Administration.
- ix) Assure consistency in audit functions and outcomes.
- x) Provide electronic audit planning and scheduling using risk based criteria and the ability to generate materiality levels to help develop the scope of work.
- xi) Provide report writing function.
- xii) Provide electronic work paper review and audit status monitoring.
- xiii) Provide for a library to maintain audit programs, boilerplate reports, past audit findings and reports and include the ability to query past audit findings.
- xiv) Ability to track audit findings and other key statistics.
- xv) Provide for security and encryption of information.

### **C. System Technical/Hardware Requirements**

The minimum system requirements are listed below:

- The application must accept documents received through an e-file process developed by the Department of Managed Health Care's Office of Technology and Innovation.
- The application must use Windows Authentication.
- Client: Windows XP, Office 2003, 1 GB RAM, 40 GB hard drive, 3.00 GHz Pentium 4
- Web Server: Windows Server 2003 with Internet Information Services 6.0  
SQL Server: Windows Server 2003 with SQL Server 2005  
Report Server: Windows Server 2003 with SQL Server 2005 Reporting Services

### **D. Contractor Tasks and Responsibilities**

Contractor shall be responsible for and deliver the tasks identified by the DMHC in accordance with this Statement of Work (SOW).

1. Provide a project plan that covers the full scope of work and that identifies key tasks/activities, timeframe to complete tasks, task owners, task interdependencies, etc. for both DFO and DPS.
2. Provide experienced staff that can complete the identified tasks and SOW. The Contractor must submit the candidate's resumes showing relevant experience and references.
3. Provide at least three (3) project references where the work was similar in nature. Provide the names and telephone numbers of key contacts at these sites.
4. The Contractor and its employees, agents, or representatives will not at any time or in any manner, directly or indirectly, use for the personal benefit of the Contractor, or divulge, disclose, or communicate any information that is proprietary to the Department of Managed Health Care. Contractor and its employees, agents, and representatives must sign a non-disclosure agreement (NDA).

5. Using a DMHC provided template, provide weekly written status reports to the State Project Manager.
6. Provide the database entity relationship diagram (ERD) / schema, and data dictionary.
7. System documentation necessary for the DMHC to effectively support, upload to, extract from, interface with, and secure the system. This should include documentation that will facilitate custom report development.
8. Support for implementing upgrades/releases, including software configuration (to testing, training and production environments), recommended testing, and problem-solving.

#### **E. Key Personnel Minimum Qualifications**

Contractor résumé's must show relevant experience and references.

1. At least 4 years experience providing configuration and training relating to the audit software.
2. Ability to establish and maintain cooperative working relationships.
3. Contractor will comply with DMHC Policy 06-22-BM (attached) that addresses the Department's right to conduct a thorough background investigation on any person working for or with the Department that will have access to medical information.

#### **F. State Responsibilities**

1. Provide access to business and technical documentation as necessary for the Contractor to complete the tasks identified under this contract.
2. Assign a project manager to provide oversight of the scope, schedule, deliverables and cost of the project.
3. Provide access to department staff and management, offices and operation areas as required to complete the tasks and activities defined under this contract.
4. Provide Contractor personnel with normal office working facilities.
5. Install TeamMate software prior to onsite Contractor Implementation tasks.

## **G. Work to Be Performed**

The Contractor shall provide ten (10) days of implementation services to set up two separate instances of TeamMate on a DMHC server and to configure the system for the distinct and different business processes of the Division of Financial Oversight and the Division of Plan Surveys. Contractor will also provide phone support for the pre-onsite installation of the TeamMate product.

**Implementation of the TeamMate product for both the Division of Financial Oversight (DFO) and the Division of Plan Surveys (DPS) shall include the following tasks:**

- a. Configuration analysis and support, including:
  - Review of documented requirements and business processes;
  - Fit/gap analysis;
  - Recommendations for high-level design based on requirements and processes, including what modules DPS and DFO should configure; and
  - Specific recommendations for detailed design (how the DPS and DFO can most effectively implement their business processes and meet their reporting requirements in TeamMate)
  - Provision of configuration documentation and manuals
- b. Recommendations for implementation approach, including:
  - Determining the modules to implement;
  - Phasing of modules;
  - Defining module interdependencies; and
  - Developing a roadmap for implementation.
- c. Support for DMHC IT design and development of custom reports
- d. Technical guidance/support for interface design and development, including interfaces between:
  - The Department's electronic document submission system (EDS) and TeamMate's EWP module so that survey work papers, once uploaded to EDS, can be automatically transferred to the appropriate EWP work paper file).
  - File review results database (to be developed) and EWP
- e. Training of identified Department staff on system use and configuration, including but not limited to: development of standardized audit programs, procedures and work papers; creation of a "library;" development of reports through TeamMate; preparation, management and tracking of work papers and status; integration with Microsoft Suite; use of the system by "contacts;" scheduling of surveys; user roles and security; tracking and reporting of issues/deficiencies and supporting evidence; processes for supervisory review; replication process for onsite surveys.

## H. Key Deliverables and Project Timeline

Contractor shall meet all timelines and deliverable due dates specified below:

Milestone/Deliverable	Due Date
Project Start	TBD
Provide 50 TeamMate R8 Suite user licenses for DMHC	TBD
- Division of Financial Oversight – 30 licenses	
- Division of Plan Surveys – 20 licenses	
Provide up to ten (10) days of onsite implementation services to configure two separate instances of TeamMate Custom Files and Installation Files and to configure the system for the distinct and different business processes of DFO and DPS.	Anticipated Timeframe  7 Months
Provide six (6) days of onsite training that will include instruction for end users, system administrators, customization, maintenance and final knowledge transfer for use of the TeamMate product.	Per Project Schedule

### Note:

July 1st is the Department's anticipated start date given current estimates for completing the contracting process. Once a contract is signed the Department and TeamMate will determine a mutually agreed-upon schedule, including start date, implementation services and training for both DFO and DPS. (Start date, implementation and training schedules for the two divisions may differ.)

## I. Cost

1. 50 TeamMate Software Licenses: 86,500.00
2. Ten (10) days of Implementation Services @ 3,500 per day\*
3. Six (6) Customized Training Sessions @ 3,500 per day\*

Total: \$142,500.00

\*Daily rate includes services and any travel expenses incurred by the Contractor. Travel and per diem are the responsibility of the Contractor. Implementation services or training days not utilized by the State will not be billed by the Contractor.



## J. Acceptance of Deliverables

Contractor shall complete all tasks and deliverables in accordance with description, timeliness and deliverable dates in Sections G and H of this statement of work.

The Contractor shall present a high level plan for all deliverables and gaining concurrence from the DMHC Project Manager and appropriate Program Lead before starting the creation of the deliverable contents.

The Contractor and DMHC Project Manager will schedule the review and approval for each deliverable.

Both Contractor and State staff together will build project deliverable content.

Payments for tasks performed under this contract shall be by deliverables.

It shall be the DMHC's sole determination as to whether a deliverable has been successfully completed and acceptable to the DMHC. Invoices will be signed by the DMHC Contract Manager or designee to confirm acceptance before invoices can be processed for payment. If a deliverable is not accepted, the DMHC shall provide the rationale in writing within 5 days of receipt of the deliverable or upon completion of acceptance testing period.

### PROJECT CONTACTS INFORMATION

Project/Contract Manager:	Becky Harrigan Chief, Network and Planning Division PH: (916) 322-6718 <a href="mailto:bharrigan@dmhc.ca.gov">bharrigan@dmhc.ca.gov</a>
Technical Project Lead:	Stephanie Bobolis Chief, Division of Application Support PH: (916) 832-1329 <a href="mailto:sbobolis@dmhc.ca.gov">sbobolis@dmhc.ca.gov</a>
Program Leads:	Marcy Gallagher Chief, Division of Plan Surveys PH: (916) 255-2373 <a href="mailto:mgallagher@dmhc.ca.gov">mgallagher@dmhc.ca.gov</a>  Mark Wright Chief, Division of Financial Oversight PH: (916) 255-2448 <a href="mailto:mwright@dmhc.ca.gov">mwright@dmhc.ca.gov</a>
Technical Contacts:	Michael Langley Systems Software Specialist Division of Application Support PH: (916) 445-6107

### CONTRACTOR CONTACT INFORMATION

Main Contact:	Michael Laib PH: (866) 674-8208 <a href="mailto:Michael.laib@WoltersKluwer.com">Michael.laib@WoltersKluwer.com</a>
Project Manager:	Karen Peary – Manager – Training & Consulting 389 Lime Stone Austin, TX 78737 PH: (877) 501-0167 <a href="mailto:Karen.peary@WoltersKluwer.com">Karen.peary@WoltersKluwer.com</a>

### K. Project Term

Project Start Date:	TBD
Project Completion Date:	TBD